
ENGROSSED HOUSE BILL 2093

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Locke, Miller, Anderson, Hine, Ferguson, Brough and Valle.

Read first time February 22, 1991. Referred to Committee on Revenue.

1 AN ACT Relating to distributing excise taxes on lodgings in
2 counties that have, prior to June 26, 1975, pledged tax revenues or
3 issued bonds for purposes of public stadium, convention, performing
4 arts and/or visual arts center facilities; amending RCW 67.28.180; and
5 providing an effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 67.28.180 and 1987 c 483 s 1 are each amended to read
8 as follows:

9 (1) Subject to the conditions set forth in subsections (2) and (3)
10 of this section, the legislative body of any county or any city, is
11 authorized to levy and collect a special excise tax of not to exceed
12 two percent on the sale of or charge made for the furnishing of lodging
13 by a hotel, rooming house, tourist court, motel, trailer camp, and the
14 granting of any similar license to use real property, as distinguished
15 from the renting or leasing of real property: PROVIDED, That it shall

1 be presumed that the occupancy of real property for a continuous period
2 of one month or more constitutes a rental or lease of real property and
3 not a mere license to use or to enjoy the same.

4 (2) Any levy authorized by this section shall be subject to the
5 following:

6 (a) Any county ordinance or resolution adopted pursuant to this
7 section shall contain, in addition to all other provisions required to
8 conform to this chapter, a provision allowing a credit against the
9 county tax for the full amount of any city tax imposed pursuant to this
10 section upon the same taxable event.

11 (b) In the event that any county has levied the tax authorized by
12 this section and has, prior to June 26, 1975, either pledged the tax
13 revenues for payment of principal and interest on city revenue or
14 general obligation bonds authorized and issued pursuant to RCW
15 67.28.150 through 67.28.160 or has authorized and issued revenue or
16 general obligation bonds pursuant to the provisions of RCW 67.28.150
17 through 67.28.160, such county shall be exempt from the provisions of
18 subsection (a), to the extent that the tax revenues are pledged for
19 payment of principal and interest on bonds issued at any time, and
20 maturing before January 1, 2013, pursuant to the provisions of RCW
21 67.28.150 through 67.28.160: PROVIDED, That so much of such pledged
22 tax revenues, together with any investment earnings thereon, not
23 immediately necessary for actual payment of principal and interest on
24 such bonds may be used: (i) In class AA counties, for repayment either
25 of limited tax levy general obligation bonds or of any county fund or
26 account from which a loan was made, the proceeds from the bonds or loan
27 being used to pay for constructing, installing, improving, and
28 equipping stadium capital improvement projects, and to pay for any
29 engineering, planning, financial, legal and professional services
30 incident to the development of such stadium capital improvement

1 projects, regardless of the date the debt for such capital improvement
2 projects was or may be incurred; or (ii) in counties other than class
3 AA counties, for county-owned facilities for agricultural promotion.

4 As used in this subsection (2)(b), "capital improvement projects"
5 may include, but not be limited to a stadium restaurant facility,
6 restroom facilities, artificial turf system, seating facilities,
7 parking facilities and scoreboard and information system adjacent to or
8 within a county owned stadium, together with equipment, utilities,
9 accessories and appurtenances necessary thereto. The stadium
10 restaurant authorized by this subsection (2)(b) shall be operated by a
11 private concessionaire under a contract with the county.

12 (c) No city within a county exempt under subsection (2)(b) of this
13 section may levy the tax authorized by this section so long as said
14 county is so exempt: PROVIDED, That in the event that any city in such
15 county has levied the tax authorized by this section and has, prior to
16 June 26, 1975, authorized and issued revenue or general obligation
17 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,
18 such city may levy the tax so long as and to the extent that the tax
19 revenues are pledged for payment of principal and interest on bonds
20 issued pursuant to the provisions of RCW 67.28.150 through 67.28.160.

21 (3) Any levy authorized by this section by a county that has levied
22 the tax authorized by this section and has, prior to June 26, 1975,
23 either pledged the tax revenues for payment of principal and interest
24 on city revenue or general obligation bonds authorized and issued
25 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and
26 issued revenue or general obligation bonds pursuant to the provisions
27 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

28 (a) From January 1, 1992, through December 31, 2000, taxes
29 collected under this section in any calendar year in excess of five
30 million three hundred thousand dollars and not exceeding the limits

1 specified in this subsection (3) shall only be used for art
2 ((museums,)) and cultural museums, the arts, ((and/or)) and the
3 performing arts.

4 ((b)) (i) For the calendar year ending December 31, 1992, the
5 limit is \$828,000.

6 (ii) For the calendar year ending December 31, 1993, the limit is
7 \$1,318,000.

8 (iii) For the calendar year ending December 31, 1994, the limit is
9 \$1,848,000.

10 (iv) For the calendar year ending December 31, 1995, the limit is
11 \$2,420,000.

12 (v) For the calendar year ending December 31, 1996, the limit is
13 \$3,037,000.

14 (vi) For the calendar year ending December 31, 1997, the limit is
15 \$3,704,000.

16 (vii) For the calendar year ending December 31, 1998, the limit is
17 \$4,424,000.

18 (viii) For the calendar year ending December 31, 1999, the limit is
19 \$5,202,000.

20 (ix) For the calendar year ending December 31, 2000, the limit is
21 \$6,042,000.

22 (b) From January 1, 1992, through December 31, 2000, taxes
23 collected under this section in any calendar year in excess of the
24 limits specified in (a)(i) through (ix) of this subsection shall be
25 distributed as follows:

26 (i) Fifty percent to art and cultural museums, the arts, and the
27 performing arts.

28 (ii) Fifty percent to one or more of the following: Stadium
29 capital improvement projects, as defined in subsection (2)(b) of this
30 section, tourism promotion that is intended to attract visitors for

1 overnight stays, recreational sports activities, or promotion of
2 professional and amateur sports. The legislative body of the county
3 levying the tax in this section shall direct a portion of any moneys
4 used for tourism and lodging promotion to benefit areas of the county
5 outside of any city with a population greater than five hundred
6 thousand.

7 (c) At least seventy percent of moneys spent under subsections
8 (3)(a) and (3)(b)(i) of this section shall be used only for the
9 purchase, design, construction, and remodeling of performing arts,
10 visual arts, and cultural facilities, and for the purchase of fixed
11 assets that will benefit art and cultural organizations. For purposes
12 of this subsection, fixed assets are tangible objects such as machinery
13 and other equipment intended to be held or used for ten years or more.
14 Arts organizations receiving moneys under this subsection must be
15 financially stable and have at least the following:

- 16 (i) A legally constituted and working board of directors;
17 (ii) A record of artistic and cultural accomplishments;
18 (iii) Been in existence and operating for at least two years;
19 (iv) Demonstrated ability to maintain net current liabilities at
20 less than thirty percent of general operating expenses;
21 (v) Demonstrated ability to sustain operational capacity subsequent
22 to completion of projects or purchase of machinery and equipment; and
23 (vi) Evidence that there has been independent financial review of
24 the organization.

25 (d) From January 1, 2001, through December 31, 2012, taxes
26 collected under this section in any calendar year in excess of five
27 million three hundred thousand dollars and not exceeding eleven million
28 three hundred forty-two thousand dollars shall be used only for art and
29 cultural museums, the arts, and the performing arts.

1 (e) From January 1, 2001, through December 31, 2012, taxes
2 collected under this section in any calendar year in excess of eleven
3 million three hundred forty-two thousand dollars shall be distributed
4 as follows:

5 (i) Sixty percent to art and cultural museums, the arts, and the
6 performing arts.

7 (ii) Forty percent to one or more of the following: Stadium
8 capital improvement projects, as defined in subsection (2)(b) of this
9 section, tourism promotion that is intended to attract visitors for
10 overnight stays, recreational sports activities, or promotion of
11 professional and amateur sports. The legislative body of the county
12 levying the tax in this section shall direct a portion of any moneys
13 used for tourism and lodging promotion to benefit areas of the county
14 outside of any city with a population greater than five hundred
15 thousand.

16 (f) At least forty percent of the revenues distributed pursuant to
17 subsections (3)(d) and (3)(e)(i) of this section shall be deposited in
18 an account and shall be used to establish an endowment. Principal in
19 the account shall remain permanent and irreducible. The earnings from
20 investments of balances in the account may only be used for the
21 purposes of subsections (3)(d) and (3)(e)(i) of this section.

22 (g) Moneys distributed to art and cultural museums, the arts, and
23 performing arts shall be in addition to and may not be used to replace
24 or supplant any other arts or cultural funding by the legislative body
25 of the county.

26 (h) No taxes collected under this section may be used for the
27 operation or maintenance of a public stadium that is financed directly
28 or indirectly by bonds to which the tax is pledged. Expenditures for
29 operation or maintenance include all expenditures other than
30 expenditures that directly result in new fixed assets or that directly

1 increase the capacity, life span, or operating economy of existing
2 fixed assets.

3 ~~((e))~~ (i) No ad valorem property taxes may be used for debt
4 service on bonds issued for a public stadium that is financed by bonds
5 to which the tax is pledged, unless the taxes collected under this
6 section are or are projected to be insufficient to meet debt service
7 requirements on such bonds.

8 ~~((d))~~ (j) If a substantial part of the operation and management
9 of a public stadium that is financed directly or indirectly by bonds to
10 which the tax is pledged is performed by a nonpublic entity or if a
11 public stadium is sold that is financed directly or indirectly by bonds
12 to which the tax is pledged, any bonds to which the tax is pledged
13 shall be retired.

14 ~~((e))~~ (k) The county shall not lease a public stadium that is
15 financed directly or indirectly by bonds to which the tax is pledged
16 to, or authorize the use of the public stadium by, a professional major
17 league sports franchise unless the sports franchise gives the right of
18 first refusal to purchase the sports franchise, upon its sale, to local
19 government. This subsection (3)~~((e))~~ (k) does not apply to contracts
20 in existence on April 1, 1986.

21 If a court of competent jurisdiction declares any provision of this
22 subsection (3) invalid, then that invalid provision shall be null and
23 void and the remainder of this section is not affected.

24 NEW SECTION. **Sec. 2.** This act shall take effect January 1,
25 1992.